

Senate Amendment 3298

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1 1 Amend House File 882, as amended, passed, and
1 2 reprinted by the House, as follows:
1 3 #1. Page 48, by inserting after line 26, the
1 4 following:
1 5
1 6 <DIVISION ____
1 7 PORT AUTHORITY
1 8 Sec. ____ NEW SECTION. 28J.1 DEFINITIONS.
1 9 As used in this chapter, unless the context
1 10 otherwise requires:
1 11 1. "Authorized purposes" means an activity that
1 12 enhances, fosters, aids, provides, or promotes
1 13 transportation, economic development, housing,
1 14 recreation, education, governmental operations,
1 15 culture, or research within the jurisdiction of a port
1 16 authority.
1 17 2. "Board" means the board of directors of a port
1 18 authority established pursuant to section 28J.2.
1 19 3. "City" means the same as defined in section
1 20 362.2.
1 21 4. "Construction" means alteration, creation,
1 22 development, enlargement, erection, improvement,
1 23 installation, reconstruction, remodeling, and
1 24 renovation.
1 25 5. "Contracting governmental agency" means any
1 26 governmental agency or taxing district of the state
1 27 that, by action of its legislative authority, enters
1 28 into an agreement with a port authority pursuant to
1 29 section 28J.17.
1 30 6. "Cost" as applied to a port authority facility
1 31 means any of the following:
1 32 a. The cost of construction contracts, land,
1 33 rights-of-way, property rights, easements, franchise
1 34 rights, and interests required for acquisition or
1 35 construction.
1 36 b. The cost of demolishing or removing any
1 37 buildings or structures on land, including the cost of
1 38 acquiring any lands to which those buildings or
1 39 structures may be moved.
1 40 c. The cost of diverting a highway, interchange of
1 41 a highway, and access roads to private property,
1 42 including the cost of land or easements, and
1 43 relocation of a facility of a utility company or
1 44 common carrier.
1 45 d. The cost of machinery, furnishings, equipment,
1 46 financing charges, interest prior to and during
1 47 construction and for no more than twelve months after
1 48 completion of construction, engineering, and expenses
1 49 of research and development with respect to a
1 50 facility.
2 1 e. Legal and administrative expenses, plans,
2 2 specifications, surveys, studies, estimates of cost
2 3 and revenues, engineering services, and other expenses
2 4 necessary or incident to determining the feasibility
2 5 or practicability of acquiring or constructing a
2 6 facility.
2 7 f. The interest upon the revenue bonds and pledge
2 8 orders during the period or estimated period of
2 9 construction and for twelve months thereafter, or for
2 10 twelve months after the acquisition date, reserve
2 11 funds as the port authority deems advisable in
2 12 connection with a facility and the issuance of port
2 13 authority revenue bonds and pledge orders.
2 14 g. The costs of issuance of port authority revenue
2 15 bonds and pledge orders.
2 16 h. The cost of diverting a rail line, rail spur
2 17 track, or rail spur track switch, including the cost
2 18 of land or easements, and relocation of a facility of
2 19 a utility company or common carrier.
2 20 i. The cost of relocating an airport's runways,
2 21 terminals, and related facilities including the cost
2 22 of land or easements, and relocation of a facility of
2 23 a utility company or common carrier.
2 24 7. "Facility" or "port authority facility" means
2 25 real or personal property owned, leased, or otherwise

2 25 controlled or financed by a port authority and related
2 26 to or in furtherance of one or more authorized
2 27 purposes.

2 28 8. "Governmental agency" means a department,
2 29 division, or other unit of state government of this
2 30 state or any other state, city, county, township, or
2 31 other governmental subdivision, or any other public
2 32 corporation or agency created under the laws of this
2 33 state, any other state, the United States, or any
2 34 department or agency thereof, or any agency,
2 35 commission, or authority established pursuant to an
2 36 interstate compact or agreement or combination
2 37 thereof.

2 38 9. "Person" means the same as defined in section
2 39 4.1.

2 40 10. "Pledge order" means a promise to pay out of
2 41 the net revenues of a port authority, which is
2 42 delivered to a contractor or other person in payment
2 43 of all or part of the cost of a facility.

2 44 11. "Political subdivision" means a city, county,
2 45 city-county consolidation, or multicounty
2 46 consolidation, or combination thereof.

2 47 12. "Political subdivisions comprising the port
2 48 authority" means the political subdivisions which
2 49 created or participated in the creation of the port
2 50 authority under section 28J.2, or which joined an
3 1 existing port authority under section 28J.4.

3 2 13. "Port authority" means an entity created
3 3 pursuant to section 28J.2.

3 4 14. "Port authority revenue bonds" means revenue
3 5 bonds and revenue refunding bonds issued pursuant to
3 6 section 28J.21.

3 7 15. "Public roads" means all public highways,
3 8 roads, and streets in this state, whether maintained
3 9 by the state or by a county or city.

3 10 16. "Revenues" means rental fees and other charges
3 11 received by a port authority for the use or services
3 12 of a facility, a gift or grant received with respect
3 13 to a facility, moneys received with respect to the
3 14 lease, sublease, sale, including installment sale or
3 15 conditional sale, or other disposition of a facility,
3 16 moneys received in repayment of and for interest on
3 17 any loans made by the port authority to a person or
3 18 governmental agency, proceeds of port authority
3 19 revenue bonds for payment of principal, premium, or
3 20 interest on the bonds authorized by the port
3 21 authority, proceeds from any insurance, condemnation,
3 22 or guarantee pertaining to the financing of the
3 23 facility, and income and profit from the investment of
3 24 the proceeds of port authority revenue bonds or of any
3 25 revenues.

3 26 Sec. _____. NEW SECTION. 28J.2 CREATION AND POWERS
3 27 OF PORT AUTHORITY.

3 28 1. Two or more political subdivisions may create a
3 29 port authority under this chapter by resolution. If a
3 30 proposal to create a port authority receives a
3 31 favorable majority of the members of the elected
3 32 legislative body of the political subdivision, the
3 33 port authority is created at the time provided in the
3 34 resolution. The jurisdiction of a port authority
3 35 includes the territory described in section 28J.8.

3 36 2. A port authority created pursuant to this
3 37 section may sue and be sued, complain, and defend in
3 38 its name and has the powers and jurisdiction
3 39 enumerated in this chapter.

3 40 3. At the time a port authority is created
3 41 pursuant to this section, the political subdivisions
3 42 comprising the port authority may restrict the powers
3 43 granted the port authority pursuant to this chapter by
3 44 specifically adopting such restrictions in the
3 45 resolution creating the port authority.

3 46 4. The political subdivisions comprising the port
3 47 authority whose powers have been restricted pursuant
3 48 to subsection 3 may at any time adopt a resolution to
3 49 grant additional powers to the port authority, so long
3 50 as the additional powers do not exceed the powers
4 1 permitted under this chapter.

4 2 Sec. _____. NEW SECTION. 28J.3 APPROPRIATION AND
4 3 EXPENDITURE OF PUBLIC FUNDS == DISSOLUTION.

4 4 1. The political subdivisions comprising a port
4 5 authority may appropriate and expend public funds to

4 6 finance or subsidize the operation and authorized
4 7 purposes of the port authority. A port authority
4 8 shall control tax revenues allocated to the facilities
4 9 the port authority administers and all revenues
4 10 derived from the operation of the port authority, the
4 11 sale of its property, interest on investments, or from
4 12 any other source related to the port authority.

4 13 2. All revenues received by the port authority
4 14 shall be held in a separate fund in a manner agreed to
4 15 by the political subdivisions comprising the port
4 16 authority. Revenues may be paid out only at the
4 17 direction of the board of directors of the port
4 18 authority.

4 19 3. A port authority shall comply with section
4 20 331.341, subsections 1, 2, 4, and 5, and section
4 21 331.342, when contracting for public improvements.

4 22 4. Subject to making due provisions for payment
4 23 and performance of any outstanding obligations, the
4 24 political subdivisions comprising the port authority
4 25 may dissolve the port authority, and transfer the
4 26 property of the port authority to the political
4 27 subdivisions comprising the port authority in a manner
4 28 agreed upon between the political subdivisions
4 29 comprising the port authority prior to the dissolution
4 30 of the port authority.

4 31 Sec. _____. NEW SECTION. 28J.4 JOINING AN EXISTING
4 32 PORT AUTHORITY.

4 33 1. A political subdivision which is contiguous to
4 34 either a political subdivision which participated in
4 35 the creation of the port authority or a political
4 36 subdivision which proposes to join the port authority
4 37 at the same time which is contiguous to a political
4 38 subdivision which participated in the creation of the
4 39 port authority may join the port authority by
4 40 resolution.

4 41 2. If more than one such political subdivision
4 42 proposes to join the port authority at the same time,
4 43 the resolution of each such political subdivision
4 44 shall designate the political subdivisions which are
4 45 to be so joined.

4 46 3. Any territory or city not included in a port
4 47 authority which is annexed to a city included within
4 48 the jurisdiction of a port authority shall, on such
4 49 annexation and without further proceedings, be annexed
4 50 to and be included in the jurisdiction of the port
5 1 authority.

5 2 4. Before a political subdivision is joined to a
5 3 port authority, other than by annexation to a city,
5 4 the political subdivisions comprising the port
5 5 authority shall agree upon the terms and conditions
5 6 pursuant to which such political subdivision is to be
5 7 joined.

5 8 5. For the purpose of this chapter, such political
5 9 subdivision shall be considered to have participated
5 10 in the creation of the port authority, except that the
5 11 initial term of any director of the port authority
5 12 appointed by a joining political subdivision shall be
5 13 four years.

5 14 6. After each resolution proposing a political
5 15 subdivision to join a port authority has become
5 16 effective and the terms and conditions of joining the
5 17 port authority have been agreed to, the board of
5 18 directors of the port authority shall by resolution
5 19 either accept or reject the proposal. Such proposal
5 20 to join a port authority shall be effective upon
5 21 adoption of the resolution by the board of directors
5 22 of the port authority and thereupon the jurisdiction
5 23 of the port authority includes the joining political
5 24 subdivision.

5 25 Sec. _____. NEW SECTION. 28J.5 MEMBERSHIP OF BOARD
5 26 OF DIRECTORS.

5 27 1. A port authority created pursuant to section
5 28 28J.2 shall be governed by a board of directors.
5 29 Members of a board of directors of a port authority
5 30 shall be divided among the political subdivisions
5 31 comprising the port authority in such proportions as
5 32 the political subdivisions may agree and shall be
5 33 appointed by the respective political subdivision's
5 34 elected legislative body.

5 35 2. The number of directors comprising the board
5 36 shall be determined by agreement between the political

5 37 subdivisions comprising the port authority, and which
5 38 number may be changed by resolution of the political
5 39 subdivisions comprising the port authority.
5 40 3. A majority of the directors shall have been
5 41 qualified electors of, or owned a business or been
5 42 employed in, one or more political subdivisions within
5 43 the area of the jurisdiction of the port authority for
5 44 a period of at least three years preceding
5 45 appointment.
5 46 4. The directors of a port authority first
5 47 appointed shall serve staggered terms. Thereafter
5 48 each successor director shall serve for a term of four
5 49 years, except that any person appointed to fill a
5 50 vacancy shall be appointed to only the unexpired term.
6 1 A director is eligible for reappointment.
6 2 5. The board may provide procedures for the
6 3 removal of a director who fails to attend three
6 4 consecutive regular meetings of the board. If a
6 5 director is so removed, a successor shall be appointed
6 6 for the remaining term of the removed director in the
6 7 same manner provided for the original appointment.
6 8 The appointing body may at any time remove a director
6 9 appointed by it for misfeasance, nonfeasance, or
6 10 malfeasance in office.
6 11 6. The board may adopt bylaws and shall elect one
6 12 director as chairperson and one director as vice
6 13 chairperson, designate terms of office, and appoint a
6 14 secretary who need not be a director.
6 15 7. A majority of the board of directors shall
6 16 constitute a quorum for the purpose of holding a
6 17 meeting of the board. The affirmative vote of a
6 18 majority of a quorum shall be necessary for any action
6 19 taken by the port authority unless the board
6 20 determines that a greater number of affirmative votes
6 21 is necessary for particular actions to be taken by the
6 22 port authority. A vacancy in the membership of the
6 23 board shall not impair the rights of a quorum to
6 24 exercise all the rights and perform all the duties of
6 25 the port authority.
6 26 8. Each director shall be entitled to receive from
6 27 the port authority such sum of money as the board may
6 28 determine as compensation for services as a director
6 29 and reimbursement for reasonable expenses in the
6 30 performance of official duties.
6 31 Sec. _____. NEW SECTION. 28J.6 CIVIL IMMUNITY OF
6 32 DIRECTORS.
6 33 A director of a port authority shall not be
6 34 personally liable for any monetary damages that arise
6 35 from actions taken in the performance of the
6 36 director's official duties, except for acts or
6 37 omissions that are not in good faith or that involve
6 38 intentional misconduct, a knowing violation of law, or
6 39 any transaction from which the director derived an
6 40 improper personal benefit.
6 41 Sec. _____. NEW SECTION. 28J.7 EMPLOYEES, ADVISORY
6 42 BOARD, PEACE OFFICERS.
6 43 1. A port authority shall employ and fix the
6 44 qualifications, duties, and compensation of any
6 45 employees and enter into contracts for any services
6 46 that may be required to conduct the business of the
6 47 port authority, and may appoint an advisory board,
6 48 which shall serve without compensation.
6 49 2. An employee of a port authority is a public
6 50 employee for the purposes of collective bargaining
7 1 under chapter 20.
7 2 3. a. A port authority may provide for the
7 3 administration and enforcement of the laws of the
7 4 state by employing peace officers who shall have all
7 5 the powers conferred by law on peace officers of this
7 6 state with regard to the apprehension of violators
7 7 upon all property under its control within and without
7 8 the port authority. The peace officers may seek the
7 9 assistance of other appropriate law enforcement
7 10 officers to enforce its rules and maintain order.
7 11 b. Peace officers employed by a port authority
7 12 shall meet all requirements as police officers
7 13 appointed under the civil service law of chapter 400
7 14 and shall participate in the retirement system
7 15 established by chapter 411.
7 16 c. Peace officers employed by a port authority
7 17 shall serve as a peace officer force with respect to

7 18 the property, grounds, buildings, equipment, and
7 19 facilities under the control of the port authority, to
7 20 prevent hijacking of aircraft or watercraft, protect
7 21 the property of the authority and the property of
7 22 others located thereon, suppress nuisances and
7 23 disturbances and breaches of the peace, and enforce
7 24 laws and the rules of the port authority for the
7 25 preservation of good order. Peace officers are vested
7 26 with the same powers of arrest as peace officers under
7 27 section 804.7.

7 28 4. If an employee of a political subdivision
7 29 comprising the port authority is transferred to a
7 30 comparable position with the port authority, the
7 31 employee is entitled to suffer no loss in pay,
7 32 pension, fringe benefits, or other benefits and shall
7 33 be entitled to a comparable rank and grade as the
7 34 employee's prior position. Sick leave, longevity, and
7 35 vacation time accrued to such employees shall be
7 36 credited to them as employees of the port authority.
7 37 All rights and accruals of such employees as members
7 38 of the Iowa public employees' retirement system
7 39 pursuant to chapter 97B and the retirement system for
7 40 police officers pursuant to chapter 411 shall remain
7 41 in force and shall be automatically transferred to the
7 42 port authority.

7 43 Sec. _____. NEW SECTION. 28J.8 AREA OF
7 44 JURISDICTION.

7 45 1. The area of jurisdiction of a port authority
7 46 shall include all of the territory of the political
7 47 subdivisions comprising the port authority and, if the
7 48 port authority owns or leases a railroad line or
7 49 airport, the territory on which the railroad's line,
7 50 terminals, and related facilities or the airport's
8 1 runways, terminals, and related facilities are
8 2 located, regardless of whether the territory is
8 3 located in the political subdivisions comprising the
8 4 port authority.

8 5 2. A political subdivision that has created a port
8 6 authority or joined an existing port authority shall
8 7 not be included in any other port authority.

8 8 Sec. _____. NEW SECTION. 28J.9 POWERS OF PORT
8 9 AUTHORITY.

8 10 A port authority may exercise all of the following
8 11 powers:

8 12 1. Adopt bylaws for the regulation of the port
8 13 authority's affairs and the conduct of the port
8 14 authority's business.

8 15 2. Adopt an official seal.

8 16 3. Maintain a principal office and branch offices
8 17 within the port authority's jurisdiction.

8 18 4. Acquire, construct, furnish, equip, maintain,
8 19 repair, sell, exchange, lease, lease with an option to
8 20 purchase, convey interests in real or personal
8 21 property, and operate any property of the port
8 22 authority in connection with transportation,
8 23 recreational, governmental operations, or cultural
8 24 activities in furtherance of an authorized purpose.

8 25 5. Straighten, deepen, and improve any channel,
8 26 river, stream, or other watercourse or way which may
8 27 be necessary or proper in the development of the
8 28 facilities of the port authority.

8 29 6. Make available the use or services of any
8 30 facility of the port authority to any person or
8 31 governmental agency.

8 32 7. Issue bonds or pledge orders pursuant to the
8 33 requirements and limitations in section 28J.21.

8 34 8. Issue port authority revenue bonds beyond the
8 35 limit of bonded indebtedness provided by law, payable
8 36 solely from revenues as provided in section 28J.21,
8 37 for the purpose of providing funds to pay the costs of
8 38 any facility or facilities of the port authority or
8 39 parts thereof.

8 40 9. Apply to the proper authorities of the United
8 41 States for the right to establish, operate, and
8 42 maintain foreign trade zones and establish, operate,
8 43 and maintain foreign trade zones and to acquire,
8 44 exchange, sell, lease to or from, lease with an option
8 45 to purchase, or operate facilities, land, or property
8 46 in accordance with the federal Foreign Trade Zones
8 47 Act, 19 U.S.C. } 81a=81u.

8 48 10. Enjoy and possess the same legislative and

8 49 executive rights, privileges, and powers granted
8 50 cities under chapter 364 and counties under chapter
9 1 331, including the exercise of police power but
9 2 excluding the power to levy taxes.
9 3 11. Maintain such funds as it considers necessary
9 4 and adhere to the public funds investment standards of
9 5 chapter 12B, as applicable.
9 6 12. Direct port authority agents or employees,
9 7 after at least five days' written notice, to enter
9 8 upon lands within the port authority's jurisdiction to
9 9 make surveys and examinations preliminary to location
9 10 and construction of works for the port authority,
9 11 without liability of the port authority or its agents
9 12 or employees except for actual damages.
9 13 13. Promote, advertise, and publicize the port
9 14 authority and its facilities, and provide information
9 15 to shippers and other commercial interests.
9 16 14. Adopt bylaws, not in conflict with state or
9 17 federal law, necessary or incidental to the
9 18 performance of the duties of and the execution of the
9 19 powers of the port authority under this chapter.
9 20 15. Do any of the following in regard to interests
9 21 in real or personal property, including machinery,
9 22 equipment, plants, factories, offices, and other
9 23 structures and facilities related to or in furtherance
9 24 of any authorized purpose as the board in its sole
9 25 discretion may determine:
9 26 a. Loan money to any person or governmental agency
9 27 for the acquisition, construction, furnishing, or
9 28 equipping of the property.
9 29 b. Acquire, construct, maintain, repair, furnish,
9 30 or equip the property.
9 31 c. Sell to, exchange with, lease, convey other
9 32 interests in, or lease with an option to purchase the
9 33 same or any lesser interest in the property to the
9 34 same or any other person or governmental agency.
9 35 d. Guarantee the obligations of any person or
9 36 governmental agency.
9 37 e. Accept and hold as consideration for the
9 38 conveyance of property or any interest therein such
9 39 property or interests therein as the board may
9 40 determine, notwithstanding any restrictions that apply
9 41 to the investment of funds by a port authority.
9 42 16. Sell, lease, or convey other interests in real
9 43 and personal property, and grant easements or rights=
9 44 of=way over property of the port authority. The board
9 45 shall specify the consideration and terms for the
9 46 sale, lease, or conveyance of other interests in real
9 47 and personal property. A determination made by the
9 48 board under this subsection shall be conclusive. The
9 49 sale, lease, or conveyance may be made without
9 50 advertising and the receipt of bids.
10 1 17. Enter into an agreement with a political
10 2 subdivision comprising the port authority for the
10 3 political subdivision to exercise its right of eminent
10 4 domain pursuant to chapters 6A and 6B on behalf of the
10 5 port authority. However, a condemnation exercised on
10 6 behalf of a port authority pursuant to this subsection
10 7 shall not take or disturb property or a facility
10 8 belonging to a governmental agency, utility company,
10 9 or common carrier, which property or facility is
10 10 necessary and convenient in the operation of the
10 11 governmental agency, utility company, or common
10 12 carrier, unless provision is made for the restoration,
10 13 relocation, or duplication of such property or
10 14 facility, or upon the election of the governmental
10 15 agency, utility company, or common carrier, for the
10 16 payment of compensation, if any, at the sole cost of
10 17 the port authority, provided that both of the
10 18 following apply:
10 19 a. If a restoration or duplication proposed to be
10 20 made under this subsection involves a relocation of
10 21 the property or facility, the new facility and
10 22 location shall be of at least comparable utilitarian
10 23 value and effectiveness and shall not impair the
10 24 ability of the utility company or common carrier to
10 25 compete in its original area of operation.
10 26 b. If a restoration or duplication made under this
10 27 subsection involves a relocation of the property or
10 28 facility, the port authority shall acquire no interest
10 29 or right in or to the appropriated property or

10 30 facility, until the relocated property or facility is
10 31 available for use and until marketable title thereto
10 32 has been transferred to the utility company or common
10 33 carrier.

10 34 18. a. Make and enter into all contracts and
10 35 agreements and execute all instruments necessary or
10 36 incidental to the performance of the duties of and the
10 37 execution of powers of the port authority under this
10 38 chapter.

10 39 b. Except as provided in paragraph "c", when the
10 40 cost of a contract for the construction of a building,
10 41 structure, or other improvement undertaken by a port
10 42 authority involves an expenditure exceeding twenty=
10 43 five thousand dollars, and the port authority is the
10 44 contracting entity, the port authority shall make a
10 45 written contract after notice calling for bids for the
10 46 award of the contract has been given by publication
10 47 twice, with at least seven days between publications,
10 48 in a newspaper of general circulation in the area of
10 49 the port authority. Each such contract shall be let
10 50 to the lowest responsive and responsible bidder.

11 1 Every contract shall be accompanied by or shall refer
11 2 to plans and specifications for the work to be done,
11 3 prepared for and approved by the port authority, and
11 4 signed by an authorized officer of the port authority
11 5 and by the contractor.

11 6 c. The board of directors may provide criteria for
11 7 the negotiation and award without competitive bidding
11 8 of any contract as to which the port authority is the
11 9 contracting entity for the construction of any
11 10 building or structure or other improvement under any
11 11 of the following circumstances:

11 12 (1) A real and present emergency exists that
11 13 threatens damage or injury to persons or property of
11 14 the port authority or other persons, provided that a
11 15 statement specifying the nature of the emergency that
11 16 is the basis for the negotiation and award of a
11 17 contract without competitive bidding shall be signed
11 18 by the officer of the port authority that executes
11 19 that contract at the time of the contract's execution
11 20 and shall be attached to the contract.

11 21 (2) A commonly recognized industry or other
11 22 standard or specification does not exist and cannot
11 23 objectively be articulated for the improvement.

11 24 (3) The contract is for any energy conservation
11 25 measure as defined in section 7D.34.

11 26 (4) With respect to material to be incorporated
11 27 into the improvement, only a single source or supplier
11 28 exists for the material.

11 29 (5) A single bid is received by the port authority
11 30 after complying with the provisions of paragraph "b".

11 31 d. (1) If a contract is to be negotiated and
11 32 awarded without competitive bidding for the reason set
11 33 forth in paragraph "c", subparagraph (2), the port
11 34 authority shall publish a notice calling for technical
11 35 proposals at least twice, with at least seven days
11 36 between publications, in a newspaper of general
11 37 circulation in the area of the port authority. After
11 38 receipt of the technical proposals, the port authority
11 39 may negotiate with and award a contract for the
11 40 improvement to the person making the proposal
11 41 considered to be the most advantageous to the port
11 42 authority.

11 43 (2) If a contract is to be negotiated and awarded
11 44 without competitive bidding for the reason set forth
11 45 in paragraph "c", subparagraph (4), construction
11 46 activities related to the incorporation of the
11 47 material into the improvement also may be provided
11 48 without competitive bidding by the source or supplier
11 49 of that material.

11 50 e. A purchase, exchange, sale, lease, lease with
12 1 an option to purchase, conveyance of other interests
12 2 in, or other contract with a person or governmental
12 3 agency that pertains to the acquisition, construction,
12 4 maintenance, repair, furnishing, equipping, or
12 5 operation of any real or personal property, related to
12 6 or in furtherance of economic development and the
12 7 provision of adequate housing, shall be made in such
12 8 manner and subject to such terms and conditions as may
12 9 be determined in the board's discretion. This
12 10 paragraph applies to all contracts that are subject to

12 11 this section, notwithstanding any other provision of
12 12 law that might otherwise apply, including a
12 13 requirement of notice, competitive bidding or
12 14 selection, or for the provision of security. However,
12 15 this paragraph shall not apply to a contract secured
12 16 exclusively by or to be paid exclusively from the
12 17 general revenues of the port authority. For the
12 18 purposes of this paragraph, any revenues derived by
12 19 the port authority under a lease or other agreement
12 20 that, by its terms, contemplates the use of amounts
12 21 payable under the agreement either to pay the costs of
12 22 the improvement that is the subject of the contract or
12 23 to secure obligations of the port authority issued to
12 24 finance costs of such improvement, are excluded from
12 25 general revenues.

12 26 19. Employ managers, superintendents, and other
12 27 employees and retain or contract with consulting
12 28 engineers, financial consultants, accounting experts,
12 29 architects, attorneys, and any other consultants and
12 30 independent contractors as are necessary in the port
12 31 authority's judgment to carry out this chapter, and
12 32 fix the compensation thereof. All expenses thereof
12 33 shall be payable from any available funds of the port
12 34 authority or from funds appropriated for that purpose
12 35 by the political subdivisions comprising the port
12 36 authority.

12 37 20. Receive and accept from a governmental agency
12 38 grants and loans for the construction of a port
12 39 authority facility, for research and development with
12 40 respect to a port authority facility, or any other
12 41 authorized purpose, and receive and accept aid or
12 42 contributions from any source of moneys, property,
12 43 labor, or other things of value, to be held, used, and
12 44 applied only for the purposes for which the grants,
12 45 loans, aid, or contributions are made.

12 46 21. Engage in research and development with
12 47 respect to a port authority facility.

12 48 22. Purchase fire and extended coverage and
12 49 liability insurance for a port authority facility and
12 50 for the principal office and branch offices of the
13 1 port authority, insurance protecting the port
13 2 authority and its officers and employees against
13 3 liability for damage to property or injury to or death
13 4 of persons arising from its operations, and any other
13 5 insurance the port authority may agree to provide
13 6 under a resolution authorizing port authority revenue
13 7 bonds, pledge orders, or in any trust agreement
13 8 securing the same.

13 9 23. Charge, alter, and collect rental fees and
13 10 other charges for the use or services of a port
13 11 authority facility as provided in section 28J.16.

13 12 24. Perform all acts necessary or proper to carry
13 13 out the powers expressly granted in this chapter.

13 14 Sec. ____ NEW SECTION. 28J.10 PARTICIPATION OF
13 15 PRIVATE ENTERPRISE.

13 16 The port authority shall foster and encourage the
13 17 participation of private enterprise in the development
13 18 of the port authority facilities to the fullest extent
13 19 practicable in the interest of limiting the necessity
13 20 of construction and operation of the facilities by the
13 21 port authority.

13 22 Sec. ____ NEW SECTION. 28J.11 PROVISIONS DO NOT
13 23 AFFECT OTHER LAWS OR POWERS.

13 24 This chapter shall not do any of the following:

13 25 1. Impair a provision of law directing the payment
13 26 of revenues derived from public property into sinking
13 27 funds or dedicating those revenues to specific
13 28 purposes.

13 29 2. Impair the powers of a political subdivision to
13 30 develop or improve a port and terminal facility except
13 31 as restricted by section 28J.15.

13 32 3. Enlarge, alter, diminish, or affect in any way,
13 33 a lease or conveyance made, or action taken prior to
13 34 the creation of a port authority under section 28J.2
13 35 by a city or a county.

13 36 4. Impair or interfere with the exercise of a
13 37 permit for the removal of sand or gravel, or other
13 38 similar permits issued by a governmental agency.

13 39 5. Impair or contravene applicable federal
13 40 regulations.

13 41 Sec. ____ NEW SECTION. 28J.12 CONVEYANCE, LEASE,

13 42 OR EXCHANGE OF PUBLIC PROPERTY.
13 43 A port authority may convey or lease, lease with an
13 44 option to purchase, or exchange with any governmental
13 45 agency or other port authority without competitive
13 46 bidding and on mutually agreeable terms, any personal
13 47 or real property, or any interest therein.
13 48 Sec. _____. NEW SECTION. 28J.13 ANNUAL BUDGET ==
13 49 USE OF RENTS AND CHARGES.
13 50 The board shall annually prepare a budget for the
14 1 port authority. Revenues received by the port
14 2 authority shall be used for the general expenses of
14 3 the port authority and to pay interest, amortization,
14 4 and retirement charges on money borrowed. Except as
14 5 provided in section 28J.26, if there remains, at the
14 6 end of any fiscal year, a surplus of such funds after
14 7 providing for the above uses, the board shall pay such
14 8 surplus into the general funds of the political
14 9 subdivisions comprising the port authority as agreed
14 10 to by the subdivisions.
14 11 Sec. _____. NEW SECTION. 28J.14 SECRETARY TO
14 12 FURNISH BOND == DEPOSIT AND DISBURSEMENT OF FUNDS.
14 13 Before receiving any revenues, the secretary of a
14 14 port authority shall furnish a bond in such amount as
14 15 shall be determined by the port authority with
14 16 sureties satisfactory to the port authority, and all
14 17 funds coming into the hands of the secretary shall be
14 18 deposited by the secretary to the account of the port
14 19 authority in one or more such depositories as shall be
14 20 qualified to receive deposits of county funds, which
14 21 deposits shall be secured in the same manner as county
14 22 funds are required to be secured. A disbursement
14 23 shall not be made from such funds except in accordance
14 24 with policies and procedures adopted by the port
14 25 authority.
14 26 Sec. _____. NEW SECTION. 28J.15 LIMITATION ON
14 27 CERTAIN POWERS OF POLITICAL SUBDIVISIONS.
14 28 A political subdivision creating or participating
14 29 in the creation of a port authority in accordance with
14 30 section 28J.2 shall not, during the time the port
14 31 authority is in existence, exercise the rights and
14 32 powers provided in chapters 28A, 28K, and 384 relating
14 33 to the political subdivision's authority over a port,
14 34 wharf, dock, harbor or other facility substantially
14 35 similar to that political subdivision's authority
14 36 under a port authority granted under this chapter.
14 37 Sec. _____. NEW SECTION. 28J.16 RENTALS OR CHARGES
14 38 FOR USE OR SERVICES OF FACILITIES == AGREEMENTS WITH
14 39 GOVERNMENTAL AGENCIES.
14 40 1. a. A port authority may charge, alter, and
14 41 collect rental fees or other charges for the use or
14 42 services of any port authority facility and contract
14 43 for the use or services of a facility, and fix the
14 44 terms, conditions, rental fees, or other charges for
14 45 the use or services.
14 46 b. If the services are furnished in the
14 47 jurisdiction of the port authority by a utility
14 48 company or a common carrier, the port authority's
14 49 charges for the services shall not be less than the
14 50 charges established for the same services furnished by
15 1 a utility company or common carrier in the port
15 2 authority jurisdiction.
15 3 c. The rental fees or other charges shall not be
15 4 subject to supervision or regulation by any other
15 5 authority, commission, board, bureau, or governmental
15 6 agency of the state and the contract may provide for
15 7 acquisition of all or any part of the port authority
15 8 facility for such consideration payable over the
15 9 period of the contract or otherwise as the port
15 10 authority determines to be appropriate, but subject to
15 11 the provisions of any resolution authorizing the
15 12 issuance of port authority revenue bonds or any trust
15 13 agreement securing the bonds.
15 14 d. A governmental agency that has power to
15 15 construct, operate, and maintain a port authority
15 16 facility may enter into a contract or lease with a
15 17 port authority for the use or services of a port
15 18 authority facility as may be agreed to by the port
15 19 authority and the governmental agency.
15 20 2. a. A governmental agency may cooperate with
15 21 the port authority in the acquisition or construction
15 22 of a port authority facility and shall enter into such

15 23 agreements with the port authority as may be
15 24 appropriate, which shall provide for contributions by
15 25 the parties in a proportion as may be agreed upon and
15 26 other terms as may be mutually satisfactory to the
15 27 parties including the authorization of the
15 28 construction of the facility by one of the parties
15 29 acting as agent for all of the parties and the
15 30 ownership and control of the facility by the port
15 31 authority to the extent necessary or appropriate.

15 32 b. A governmental agency may provide funds for the
15 33 payment of any contribution required under such
15 34 agreements by the levy of taxes or assessments if
15 35 otherwise authorized by the laws governing the
15 36 governmental agency in the construction of the type of
15 37 port authority facility provided for in the
15 38 agreements, and may pay the proceeds from the
15 39 collection of the taxes or assessments; or the
15 40 governmental agency may issue bonds or notes, if
15 41 authorized by law, in anticipation of the collection
15 42 of the taxes or assessments, and may pay the proceeds
15 43 of the bonds or notes to the port authority pursuant
15 44 to such agreements.

15 45 c. A governmental agency may provide the funds for
15 46 the payment of a contribution by the appropriation of
15 47 moneys or, if otherwise authorized by law, by the
15 48 issuance of bonds or notes and may pay the
15 49 appropriated moneys or the proceeds of the bonds or
15 50 notes to the port authority pursuant to such

16 1 agreements.
16 2 3. When the contribution of any governmental
16 3 agency is to be made over a period of time from the
16 4 proceeds of the collection of special assessments, the
16 5 interest accrued and to accrue before the first
16 6 installment of the assessments is collected, which is
16 7 payable by the governmental agency on the contribution
16 8 under the terms and provisions of the agreements,
16 9 shall be treated as part of the cost of the
16 10 improvement for which the assessments are levied, and
16 11 that portion of the assessments that is collected in
16 12 installments shall bear interest at the same rate as
16 13 the governmental agency is obligated to pay on the
16 14 contribution under the terms and provisions of the
16 15 agreements and for the same period of time as the
16 16 contribution is to be made under the agreements. If
16 17 the assessment or any installment thereof is not paid
16 18 when due, it shall bear interest until the payment
16 19 thereof at the same rate as the contribution and the
16 20 county auditor shall annually place on the tax list
16 21 and duplicate the interest applicable to the
16 22 assessment and the penalty thereon as otherwise
16 23 authorized by law.

16 24 4. A governmental agency, pursuant to a favorable
16 25 vote in an election regarding issuing bonds to provide
16 26 funds to acquire, construct, or equip, or provide real
16 27 estate and interests in real estate for a port
16 28 authority facility, whether or not the governmental
16 29 agency at the time of the election had the authority
16 30 to pay the proceeds from the bonds or notes issued in
16 31 anticipation of the bonds to the port authority as
16 32 provided in this section, may issue such bonds or
16 33 notes in anticipation of the issuance of the bonds and
16 34 pay the proceeds of the bonds or notes to the port
16 35 authority in accordance with an agreement with the
16 36 port authority; provided, that the legislative
16 37 authority of the governmental agency finds and
16 38 determines that the port authority facility to be
16 39 acquired or constructed in cooperation with the
16 40 governmental agency will serve the same public purpose
16 41 and meet substantially the same public need as the
16 42 facility otherwise proposed to be acquired or
16 43 constructed by the governmental agency with the
16 44 proceeds of the bonds and notes.

16 45 Sec. _____. NEW SECTION. 28J.17 CONTRACTS,
16 46 ARRANGEMENTS, AND AGREEMENTS.

16 47 1. a. A port authority may enter into a contract
16 48 or other arrangement with a person, railroad, utility
16 49 company, corporation, governmental agency including
16 50 sewerage, drainage, conservation, conservancy, or
17 1 other improvement districts in this or other states,
17 2 or the governments or agencies of foreign countries as
17 3 may be necessary or convenient for the exercise of the

17 4 powers granted by this chapter. The port authority
17 5 may purchase, lease, or acquire land or other property
17 6 in any county of this state and in adjoining states
17 7 for the accomplishment of authorized purposes of the
17 8 port authority, or for the improvement of the harbor
17 9 and port facilities over which the port authority may
17 10 have jurisdiction including development of port
17 11 facilities in adjoining states. The authority granted
17 12 in this section to enter into contracts or other
17 13 arrangements with the federal government includes the
17 14 power to enter into any contracts, arrangements, or
17 15 agreements that may be necessary to hold and save
17 16 harmless the United States from damages due to the
17 17 construction and maintenance by the United States of
17 18 work the United States undertakes.

17 19 b. A political subdivision that has participated
17 20 in the creation of a port authority, or is within, or
17 21 adjacent to a political subdivision that is within the
17 22 jurisdiction of a port authority, may enter into an
17 23 agreement with the port authority to accomplish any of
17 24 the authorized purposes of the port authority. The
17 25 agreement may set forth the extent to which the port
17 26 authority shall act as the agent of the political
17 27 subdivision.

17 28 2. A port authority may enter into an agreement
17 29 with a contracting governmental agency, whereby the
17 30 port authority or the contracting governmental agency
17 31 undertakes, and is authorized by the port authority or
17 32 a contracting governmental agency, to exercise any
17 33 power, perform any function, or render any service, on
17 34 behalf of the port authority or a contracting
17 35 governmental agency, which the port authority or the
17 36 contracting governmental agency is authorized to
17 37 exercise, perform, or render.

17 38 Sec. _____. NEW SECTION. 28J.18 REVENUE BONDS ARE
17 39 LAWFUL INVESTMENTS.

17 40 Port authority revenue bonds issued pursuant to
17 41 this chapter are lawful investments of banks, credit
17 42 unions, trust companies, savings and loan
17 43 associations, deposit guaranty associations, insurance
17 44 companies, trustees, fiduciaries, trustees or other
17 45 officers having charge of the bond retirement funds or
17 46 sinking funds of port authorities and governmental
17 47 agencies, and taxing districts of this state, the
17 48 pension and annuity retirement system, the Iowa public
17 49 employees' retirement system, the police and fire
17 50 retirement systems under chapters 410 and 411, a
18 1 revolving fund of a governmental agency of this state,
18 2 and are acceptable as security for the deposit of
18 3 public funds under chapter 12C.

18 4 Sec. _____. NEW SECTION. 28J.19 PROPERTY TAX
18 5 EXEMPTION.

18 6 A port authority shall be exempt from and shall not
18 7 be required to pay taxes on real property belonging to
18 8 a port authority that is used exclusively for an
18 9 authorized purpose as provided in section 427.1,
18 10 subsection 34.

18 11 Sec. _____. NEW SECTION. 28J.20 LOANS FOR
18 12 ACQUISITION OR CONSTRUCTION OF FACILITY == SALE OF
18 13 FACILITY == POWER TO ENCUMBER PROPERTY.

18 14 1. With respect to the financing of a facility for
18 15 an authorized purpose, under an agreement whereby the
18 16 person to whom the facility is to be leased,
18 17 subleased, or sold, or to whom a loan is to be made
18 18 for the facility, is to make payments sufficient to
18 19 pay all of the principal of, premium, and interest on
18 20 the port authority revenue bonds issued for the
18 21 facility, the port authority, in addition to other
18 22 powers under this chapter, may do any of the
18 23 following:

18 24 a. Make loans for the acquisition or construction
18 25 of the facility to such person upon such terms as the
18 26 port authority may determine or authorize including
18 27 secured or unsecured loans, and enter into loan
18 28 agreements and other agreements, accept notes and
18 29 other forms of obligation to evidence such
18 30 indebtedness and mortgages, liens, pledges,
18 31 assignments, or other security interests to secure
18 32 such indebtedness, which may be prior or subordinate
18 33 to or on a parity with other indebtedness,
18 34 obligations, mortgages, pledges, assignments, other

18 35 security interests, or liens or encumbrances, and take
18 36 actions considered appropriate to protect such
18 37 security and safeguard against losses, including,
18 38 without limitation, foreclosure and the bidding upon
18 39 and purchase of property upon foreclosure or other
18 40 sale.

18 41 b. Sell the facility under terms as the port
18 42 authority may determine, including sale by conditional
18 43 sale or installment sale, under which title may pass
18 44 prior to or after completion of the facility or
18 45 payment or provisions for payment of all principal of,
18 46 premium, and interest on the revenue bonds, or at any
18 47 other time provided in the agreement pertaining to the
18 48 sale, and including sale under an option to purchase
18 49 at a price which may be a nominal amount or less than
18 50 true value at the time of purchase.

19 1 c. Grant a mortgage, lien, or other encumbrance
19 2 on, or pledge or assignment of, or other security
19 3 interest with respect to, all or any part of the
19 4 facility, revenues, reserve funds, or other funds
19 5 established in connection with the bonds or with
19 6 respect to a lease, sublease, sale, conditional sale
19 7 or installment sale agreement, loan agreement, or
19 8 other agreement pertaining to the lease, sublease,
19 9 sale, or other disposition of a facility or pertaining
19 10 to a loan made for a facility, or a guaranty or
19 11 insurance agreement made with respect thereto, or an
19 12 interest of the port authority therein, or any other
19 13 interest granted, assigned, or released to secure
19 14 payments of the principal of, premium, or interest on
19 15 the bonds or to secure any other payments to be made
19 16 by the port authority, which mortgage, lien,
19 17 encumbrance, pledge, assignment, or other security
19 18 interest may be prior or subordinate to or on a parity
19 19 with any other mortgage, assignment, or other security
19 20 interest, or lien or encumbrance.

19 21 d. Contract for the acquisition or construction of
19 22 the facility or any part thereof and for the leasing,
19 23 subleasing, sale, or other disposition of the facility
19 24 in a manner determined by the port authority in its
19 25 sole discretion, without necessity for competitive
19 26 bidding or performance bonds.

19 27 e. Make appropriate provision for adequate
19 28 maintenance of the facility.

19 29 2. With respect to a facility referred to in this
19 30 section, the authority granted by this section is
19 31 cumulative and supplementary to all other authority
19 32 granted in this chapter. The authority granted by
19 33 this section does not alter or impair a similar
19 34 authority granted elsewhere in this chapter for or
19 35 with respect to other facilities.

19 36 Sec. ____ NEW SECTION. 28J.21 ISSUANCE OF
19 37 REVENUE AND REFUNDING BONDS.

19 38 1. A port authority may issue revenue bonds and
19 39 pledge orders payable solely from the net revenues of
19 40 the port authority including the revenues generated
19 41 from a facility pursuant to section 28J.20. The
19 42 revenue bonds may be issued in such principal amounts
19 43 as, in the opinion of the port authority, are
19 44 necessary for the purpose of paying the cost of one or
19 45 more port authority facilities or parts thereof.

19 46 2. a. The resolution to issue the bonds must be
19 47 adopted at a regular or special meeting of the board
19 48 called for that purpose by a majority of the total
19 49 number of members of the board. The board shall fix a
19 50 date, time, and place of meeting at which it proposes
20 1 to take action, and give notice by publication in the
20 2 manner directed in section 331.305. The notice must
20 3 include a statement of the date, time, and place of
20 4 the meeting, the maximum amount of the proposed
20 5 revenue bonds, the purpose for which the revenue bonds
20 6 will be issued, and the net revenues to be used to pay
20 7 the principal and interest on the revenue bonds.

20 8 b. At the meeting the board shall receive oral or
20 9 written objections from any resident or property owner
20 10 within the jurisdiction of the port authority. After
20 11 all objections have been received and considered, the
20 12 board, at the meeting or a date to which it is
20 13 adjourned, may take additional action for the issuance
20 14 of the bonds or abandon the proposal to issue bonds.
20 15 Any resident or property owner within the jurisdiction

20 16 of the port authority may appeal a decision of the
20 17 board to take additional action in district court
20 18 within fifteen days after the additional action is
20 19 taken, but the additional action of the board is final
20 20 and conclusive unless the court finds that the board
20 21 exceeded its authority.

20 22 3. The board may sell revenue bonds or pledge
20 23 orders at public or private sale and may deliver
20 24 revenue bonds and pledge orders to the contractors,
20 25 sellers, and other persons furnishing materials and
20 26 services constituting a part of the cost of the port
20 27 authority facility in payment therefor. The pledge of
20 28 any net revenues of a port authority is valid and
20 29 effective as to all persons including but not limited
20 30 to other governmental bodies when it becomes valid and
20 31 effective between the port authority and the holders
20 32 of the revenue bonds or pledge orders.

20 33 4. A revenue bond is valid and binding for all
20 34 purposes if it bears the signatures or a facsimile of
20 35 the signature of the officer designated by the port
20 36 authority. Port authority revenue bonds may bear
20 37 dates, bear interest at rates not exceeding those
20 38 permitted by chapter 74A, bear interest at a variable
20 39 rate or rates changing from time to time in accordance
20 40 with a base or formula, mature in one or more
20 41 installments, be in registered form, carry
20 42 registration and conversion privileges, be payable as
20 43 to principal and interest at times and places, be
20 44 subject to terms of redemption prior to maturity with
20 45 or without premium, and be in one or more
20 46 denominations, all as provided by the resolution of
20 47 the board authorizing their issuance. The resolution
20 48 may also prescribe additional provisions, terms,
20 49 conditions, and covenants which the port authority
20 50 deems advisable, consistent with this chapter,

21 1 including provisions for creating and maintaining
21 2 reserve funds, the issuance of additional revenue
21 3 bonds ranking on a parity with such revenue bonds and
21 4 additional revenue bonds junior and subordinate to
21 5 such revenue bonds, and that such revenue bonds shall
21 6 rank on a parity with or be junior and subordinate to
21 7 any revenue bonds which may be then outstanding. Port
21 8 authority revenue bonds are a contract between the
21 9 port authority and holders and the resolution is a
21 10 part of the contract.

21 11 5. The port authority may issue revenue bonds to
21 12 refund revenue bonds, pledge orders, and other
21 13 obligations which are by their terms payable from the
21 14 net revenues of the same port authority, at lower, the
21 15 same, or higher rates of interest. A port authority
21 16 may sell refunding revenue bonds at public or private
21 17 sale and apply the proceeds to the payment of the
21 18 obligations being refunded, and may exchange refunding
21 19 revenue bonds in payment and discharge of the
21 20 obligations being refunded. The principal amount of
21 21 refunding revenue bonds may exceed the principal
21 22 amount of the obligations being refunded to the extent
21 23 necessary to pay any premium due on the call of the
21 24 obligations being refunded and to fund interest
21 25 accrued and to accrue on the obligations being
21 26 refunded.

21 27 6. The final maturity of any original issue of
21 28 port authority revenue bonds shall not exceed forty
21 29 years from the date of issue, and the final maturity
21 30 of port authority revenue bonds that refund
21 31 outstanding port authority revenue bonds shall not be
21 32 later than the later of forty years from the date of
21 33 issue of the original issue of bonds or the date by
21 34 which it is expected, at the time of issuance of the
21 35 refunding bonds, that the useful life of all of the
21 36 property refinanced with the proceeds of the bonds,
21 37 other than interests in land, will have expired. Such
21 38 bonds or notes shall be executed in a manner as the
21 39 resolution may provide.

21 40 7. The port authority may contract to pay an
21 41 amount not to exceed ninety-five percent of the
21 42 engineer's estimated value of the acceptable work
21 43 completed during the month to the contractor at the
21 44 end of each month for work, material, or services.
21 45 Payment may be made in warrants drawn on any fund from
21 46 which payment for the work may be made. If such funds

21 47 are depleted, anticipatory warrants may be issued
21 48 bearing a rate of interest not exceeding that
21 49 permitted by chapter 74A even if income from the sale
21 50 of bonds which have been authorized and are applicable
22 1 to the public improvement takes place after the fiscal
22 2 year in which the warrants are issued. If the port
22 3 authority arranges for the private sale of
22 4 anticipatory warrants, the warrants may be sold and
22 5 the proceeds used to pay the contractor. The warrants
22 6 may also be used to pay other persons furnishing
22 7 services constituting a part of the cost of the public
22 8 improvement.

22 9 8. Port authority revenue bonds, pledge orders,
22 10 and warrants issued under this section are negotiable
22 11 instruments.

22 12 9. The board may issue pledge orders pursuant to a
22 13 resolution adopted by a majority of the total number
22 14 of supervisors, at a regular or special meeting,
22 15 ordering their issuance and delivery in payment for
22 16 all or part of the cost of a project. Pledge orders
22 17 may bear interest at rates not exceeding those
22 18 permitted by chapter 74A.

22 19 10. Except as provided in section 28J.20, the
22 20 physical properties of the port authority shall not be
22 21 pledged or mortgaged to secure the payment of revenue
22 22 bonds, pledge orders, or refunding bonds, or the
22 23 interest thereon.

22 24 11. The members of the board of the port authority
22 25 and any person executing the bonds or pledge orders
22 26 shall not be personally liable on the bonds or pledge
22 27 orders or be subject to any personal liability or
22 28 accountability by reason of the issuance thereof.

22 29 Sec. _____. NEW SECTION. 28J.22 BONDS MAY BE
22 30 SECURED BY TRUST AGREEMENT.

22 31 1. In the discretion of the port authority, a port
22 32 authority revenue bond issued under this chapter may
22 33 be secured by a trust agreement between the port
22 34 authority and a corporate trustee that may be any
22 35 trust company or bank having the powers of a trust
22 36 company within this or any other state.

22 37 2. The trust agreement may pledge or assign
22 38 revenues of the port authority to be received for
22 39 payment of the revenue bonds. The trust agreement or
22 40 any resolution providing for the issuance of revenue
22 41 bonds may contain provisions for protecting and
22 42 enforcing the rights and remedies of the bondholders
22 43 as are reasonable and proper and not in violation of
22 44 law, including covenants setting forth the duties of
22 45 the port authority in relation to the acquisition of
22 46 property, the construction, improvement, maintenance,
22 47 repair, operation, and insurance of the port authority
22 48 facility in connection with which the bonds are
22 49 authorized, the rentals or other charges to be imposed
22 50 for the use or services of any port authority
23 1 facility, the custody, safeguarding, and application
23 2 of all moneys, and provisions for the employment of
23 3 consulting engineers in connection with the
23 4 construction or operation of any port authority
23 5 facility.

23 6 3. A bank or trust company incorporated under the
23 7 laws of this state, that may act as the depository of
23 8 the proceeds of bonds or of revenues, shall furnish
23 9 any indemnifying bonds or may pledge any securities
23 10 that are required by the port authority. The trust
23 11 agreement may set forth the rights and remedies of the
23 12 bondholders and of the trustee, and may restrict the
23 13 individual right of action by bondholders as is
23 14 customary in trust agreements or trust indentures
23 15 securing similar bonds. The trust agreement may
23 16 contain any other provisions that the port authority
23 17 determines reasonable and proper for the security of
23 18 the bondholders. All expenses incurred in carrying
23 19 out the provisions of the trust agreement may be
23 20 treated as a part of the cost of the operation of the
23 21 port authority facility.

23 22 Sec. _____. NEW SECTION. 28J.23 REMEDY OF HOLDER
23 23 OF BOND OR COUPON == STATUTE OF LIMITATIONS.

23 24 1. The sole remedy for a breach or default of a
23 25 term of a port authority revenue bond or pledge order
23 26 is a proceeding in law or in equity by suit, action,
23 27 or mandamus to enforce and compel performance of the

23 28 duties required by this chapter and of the terms of
23 29 the resolution authorizing the issuance of the revenue
23 30 bonds or pledge orders, or to obtain the appointment
23 31 of a receiver to take possession of and operate the
23 32 port authority, and to perform the duties required by
23 33 this chapter and the terms of the resolution
23 34 authorizing the issuance of the port authority revenue
23 35 bonds or pledge orders.

23 36 2. An action shall not be brought which questions
23 37 the legality of port authority revenue bonds or pledge
23 38 orders, the power of a port authority to issue revenue
23 39 bonds or pledge orders, or the effectiveness of any
23 40 proceedings relating to the authorization and issuance
23 41 of revenue bonds or pledge orders, from and after
23 42 fifteen days from the time the bonds or pledge orders
23 43 are ordered issued by the port authority.

23 44 Sec. _____. NEW SECTION. 28J.24 BONDS ARE PAYABLE
23 45 SOLELY FROM REVENUES AND FUNDS PLEDGED FOR PAYMENT.

23 46 Port authority revenue bonds and pledge orders
23 47 issued under this chapter do not constitute a debt, or
23 48 a pledge of the faith and credit, of the state or a
23 49 political subdivision of the state, and the holders or
23 50 owners of the bonds or pledge orders shall not have
24 1 taxes levied by the state or by a taxing authority of
24 2 a governmental agency of the state for the payment of
24 3 the principal of or interest on the bonds or pledge
24 4 orders, but the bonds and pledge orders are payable
24 5 solely from the revenues and funds pledged for their
24 6 payment as authorized by this chapter, unless the
24 7 notes are issued in anticipation of the issuance of
24 8 bonds or pledge orders or the bonds and pledge orders
24 9 are refunded by refunding bonds issued under this
24 10 chapter, which bonds, pledge orders, or refunding
24 11 bonds shall be payable solely from revenues and funds
24 12 pledged for their payment as authorized by those
24 13 sections. All of the bonds or pledge orders shall
24 14 contain a statement to the effect that the bonds or
24 15 pledge orders, as to both principal and interest, are
24 16 not debts of the state or a political subdivision of
24 17 the state, but are payable solely from revenues and
24 18 funds pledged for their payment.

24 19 Sec. _____. NEW SECTION. 28J.25 FUNDS AND PROPERTY
24 20 HELD IN TRUST == USE AND DEPOSIT OF FUNDS.

24 21 All revenues, funds, properties, and assets
24 22 acquired by the port authority under this chapter,
24 23 whether as proceeds from the sale of port authority
24 24 revenue bonds, pledge orders, or as revenues, shall be
24 25 held in trust for the purposes of carrying out the
24 26 port authority's powers and duties, shall be used and
24 27 reused as provided in this chapter, and shall at no
24 28 time be part of other public funds. Such funds,
24 29 except as otherwise provided in a resolution
24 30 authorizing port authority revenue bonds or in a trust
24 31 agreement securing the same, or except when invested
24 32 pursuant to section 28J.26, shall be kept in
24 33 depositories selected by the port authority in the
24 34 manner provided in chapter 12C, and the deposits shall
24 35 be secured as provided in that chapter. The
24 36 resolution authorizing the issuance of revenue bonds
24 37 or pledge orders, or the trust agreement securing such
24 38 bonds or pledge orders shall provide that any officer
24 39 to whom, or any bank or trust company to which, such
24 40 moneys are paid shall act as trustee of such moneys
24 41 and hold and apply them for the purposes hereof,
24 42 subject to such conditions as this chapter and such
24 43 resolution or trust agreement provide.

24 44 Sec. _____. NEW SECTION. 28J.26 INVESTMENT OF
24 45 EXCESS FUNDS.

24 46 1. If a port authority has surplus funds after
24 47 making all deposits into all funds required by the
24 48 terms, covenants, conditions, and provisions of
24 49 outstanding revenue bonds, pledge orders, and
24 50 refunding bonds which are payable from the revenues of
25 1 the port authority and after complying with all of the
25 2 requirements, terms, covenants, conditions, and
25 3 provisions of the proceedings and resolutions pursuant
25 4 to which revenue bonds, pledge orders, and refunding
25 5 bonds are issued, the board may transfer the surplus
25 6 funds to any other fund of the port authority in
25 7 accordance with this chapter and chapter 12C, provided
25 8 that a transfer shall not be made if it conflicts with

25 9 any of the requirements, terms, covenants, conditions,
25 10 or provisions of a resolution authorizing the issuance
25 11 of revenue bonds, pledge orders, or other obligations
25 12 which are payable from the revenues of the port
25 13 authority which are then outstanding.

25 14 2. This section does not prohibit or prevent the
25 15 board from using funds derived from any other source
25 16 which may be properly used for such purpose, to pay a
25 17 part of the cost of a facility.

25 18 Sec. _____. NEW SECTION. 28J.27 CHANGE IN LOCATION
25 19 OF PUBLIC WAY, RAILROAD, OR UTILITY FACILITY ==
25 20 VACATION OF HIGHWAY.

25 21 1. When a port authority changes the location of
25 22 any portion of any public road, railroad, or utility
25 23 facility in connection with the construction of a port
25 24 authority facility, the port authority shall
25 25 reconstruct at such location as the governmental
25 26 agency having jurisdiction over such road, railroad,
25 27 or utility facility finds most favorable. The
25 28 construction of such road, railroad, or utility
25 29 facility shall be of substantially the same type and
25 30 in as good condition as the original road, railroad,
25 31 or utility facility. The cost of such reconstruction,
25 32 relocation, or removal and any damage incurred in
25 33 changing the location of any such road, railroad, or
25 34 utility facility shall be paid by the port authority
25 35 as a part of the cost of the port authority facility.

25 36 2. When the port authority finds it necessary that
25 37 a public highway or portion of a public highway be
25 38 vacated by reason of the acquisition or construction
25 39 of a port authority facility, the port authority may
25 40 request the director of the department of
25 41 transportation to vacate such highway or portion in
25 42 accordance with chapter 306 if the highway or portion
25 43 to be vacated is on the state highway system, or, if
25 44 the highway or portion to be vacated is under the
25 45 jurisdiction of a county, the port authority shall
25 46 petition the board of supervisors of that county, in
25 47 the manner provided in chapter 306, to vacate such
25 48 highway or portion. The port authority shall pay to
25 49 the county, as a part of the cost of such port
25 50 authority facility, any amounts required to be
26 1 deposited with a court in connection with proceedings
26 2 for the determination of compensation and damages and
26 3 all amounts of compensation and damages finally
26 4 determined to be payable as a result of such vacation.

26 5 3. The port authority may adopt bylaws for the
26 6 installation, construction, maintenance, repair,
26 7 renewal, relocation, and removal of railroad or
26 8 utility facilities in, on, over, or under any port
26 9 authority facility. Whenever the port authority
26 10 determines that it is necessary that any such facility
26 11 installed or constructed in, on, over, or under
26 12 property of the port authority pursuant to such bylaws
26 13 be relocated, the utility company owning or operating
26 14 such facility shall relocate or remove them in
26 15 accordance with the order of the port authority. The
26 16 cost and expenses of such relocation or removal,
26 17 including the cost of installing such facility in a
26 18 new location, the cost of any lands, or any rights or
26 19 interests in lands, and any other rights, acquired to
26 20 accomplish such relocation or removal, shall be paid
26 21 by the port authority as a part of the cost of the
26 22 port authority facility. In case of any such
26 23 relocation or removal of such facilities, the railroad
26 24 or utility company owning or operating them, its
26 25 successors, or assigns may maintain and operate such
26 26 facilities, with the necessary appurtenances, in the
26 27 new location in, on, over, or under the property of
26 28 the port authority for as long a period and upon the
26 29 same terms as the railroad or utility company had the
26 30 right to maintain and operate such facilities in their
26 31 former location.

26 32 Sec. _____. NEW SECTION. 28J.28 FINAL ACTIONS TO
26 33 BE RECORDED == ANNUAL REPORT == CONFIDENTIALITY OF
26 34 INFORMATION.

26 35 1. All final actions of the port authority shall
26 36 be recorded and the records of the port authority
26 37 shall be open to public examination and copying
26 38 pursuant to chapter 22. Not later than the first day
26 39 of April every year, a port authority shall submit a

26 40 report to the director of the department of economic
26 41 development detailing the projects and activities of
26 42 the port authority during the previous calendar year.
26 43 The report shall include, but not be limited to, all
26 44 aspects of those projects and activities, including
26 45 the progress and status of the projects and their
26 46 costs, and any other information the director
26 47 determines should be included in the report.
26 48 2. Financial and proprietary information,
26 49 including trade secrets, submitted to a port authority
26 50 or the agents of a port authority, in connection with
27 1 the relocation, location, expansion, improvement, or
27 2 preservation of a business or nonprofit corporation is
27 3 not a public record subject to chapter 22. Any other
27 4 information submitted under those circumstances is not
27 5 a public record subject to chapter 22 until there is a
27 6 commitment in writing to proceed with the relocation,
27 7 location, expansion, improvement, or preservation.
27 8 3. Notwithstanding chapter 21, the board of
27 9 directors of a port authority, when considering
27 10 information that is not a public record under this
27 11 section, may close a meeting during the consideration
27 12 of that information pursuant to a vote of the majority
27 13 of the directors present on a motion stating that such
27 14 information is to be considered. Other matters shall
27 15 not be considered during the closed session.
27 16 Sec. _____. NEW SECTION. 28J.29 PROVISIONS TO BE
27 17 LIBERALLY CONSTRUED.
27 18 This chapter shall be liberally construed to effect
27 19 the chapter's purposes.
27 20 Sec. _____. Section 427.1, Code 2005, is amended by
27 21 adding the following new subsection:
27 22 NEW SUBSECTION. 34. PORT AUTHORITY PROPERTY. The
27 23 property of a port authority created pursuant to
27 24 section 28J.2, when devoted to public use and not held
27 25 for pecuniary profit.>
27 26 #2. By renumbering as necessary.
27 27
27 28
27 29
27 30 _____
27 31 THOMAS G. COURTNEY
27 32
27 33
27 34 _____
27 35 EUGENE S. FRAISE
27 36 HF 882.330 81
jp/cf/4773